



Large-Scale Land Acquisition and agro-investment

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IWGIA Workshop on *IP rights to land and natural resources, investment and land grabbing*
Copenhagen, 29th Oct 2014

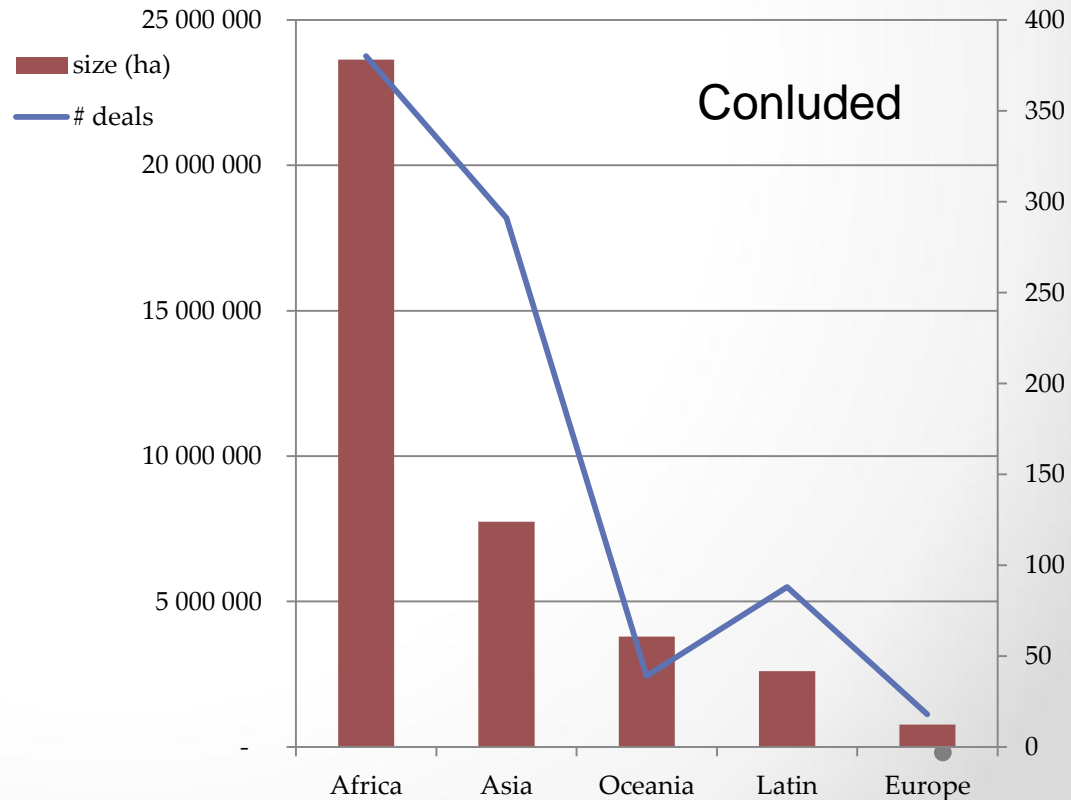
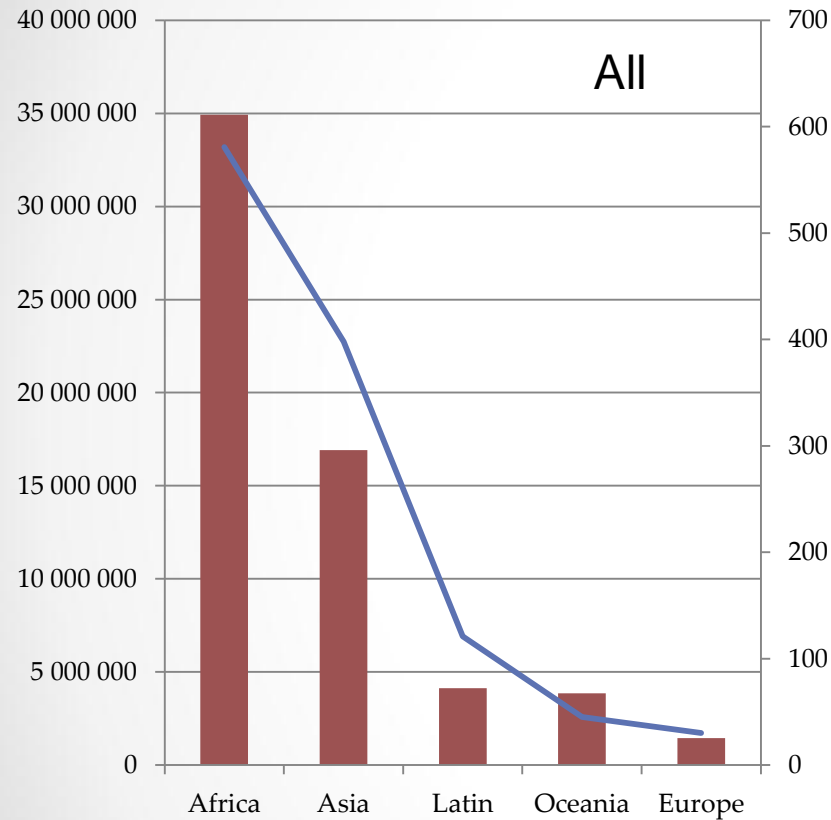
Outline

- 1) A couple of flashes on LSLA...**
- 2) Disaggregating “Large-scale land acquisitions”**
- 3) Reflections on regulation and data**

LSLA globally

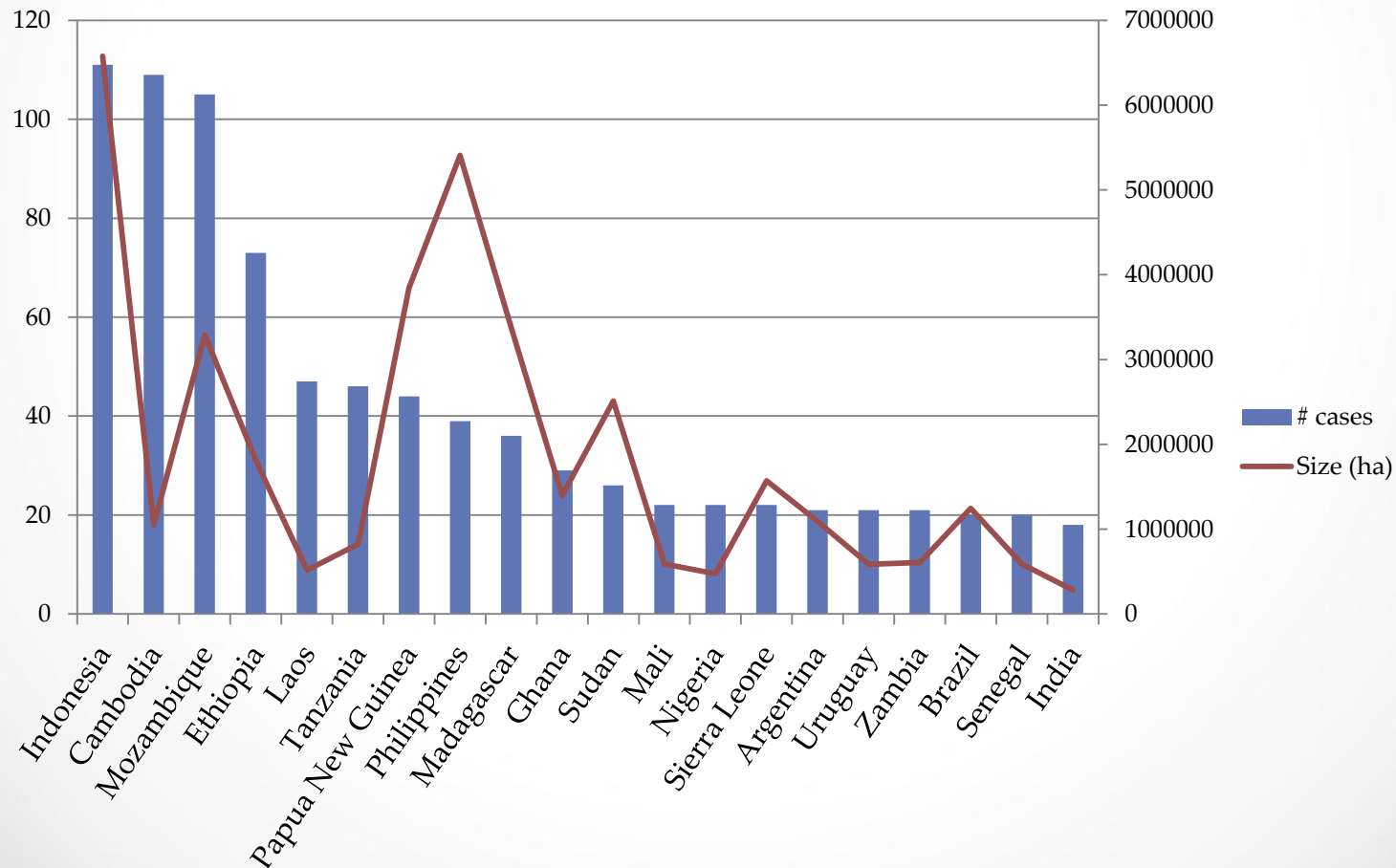
	# deals	ha intended	ha under contract
Oral agreement	66	3.7	1.1
Contract signed	804	50.8	30.6
concluded deals	870	54.5	31.8
Expression of interest	42	5.5	n.a.
Under negotiation	144	9.1	n.a.
Intended deals	186	14.6	n.a.
Negotiations failed	50	5.3	n.a.
Contract cancelled	24	1.6	1.5
Failed deals	74	6.9	1.5

African countries are among the most affected in the world



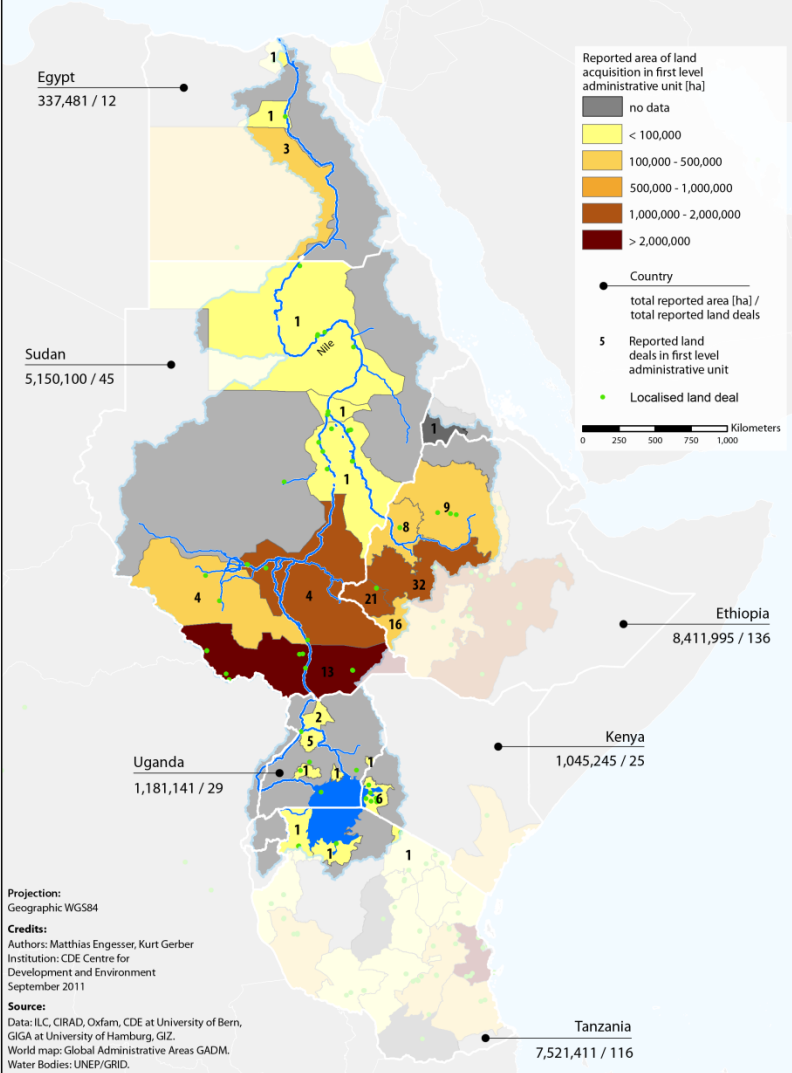
African countries are among the most affected

- Important concentration – top 20 countries, 74% deals, 80% size
- Top 20 – 9 African countries (insecure land rights)

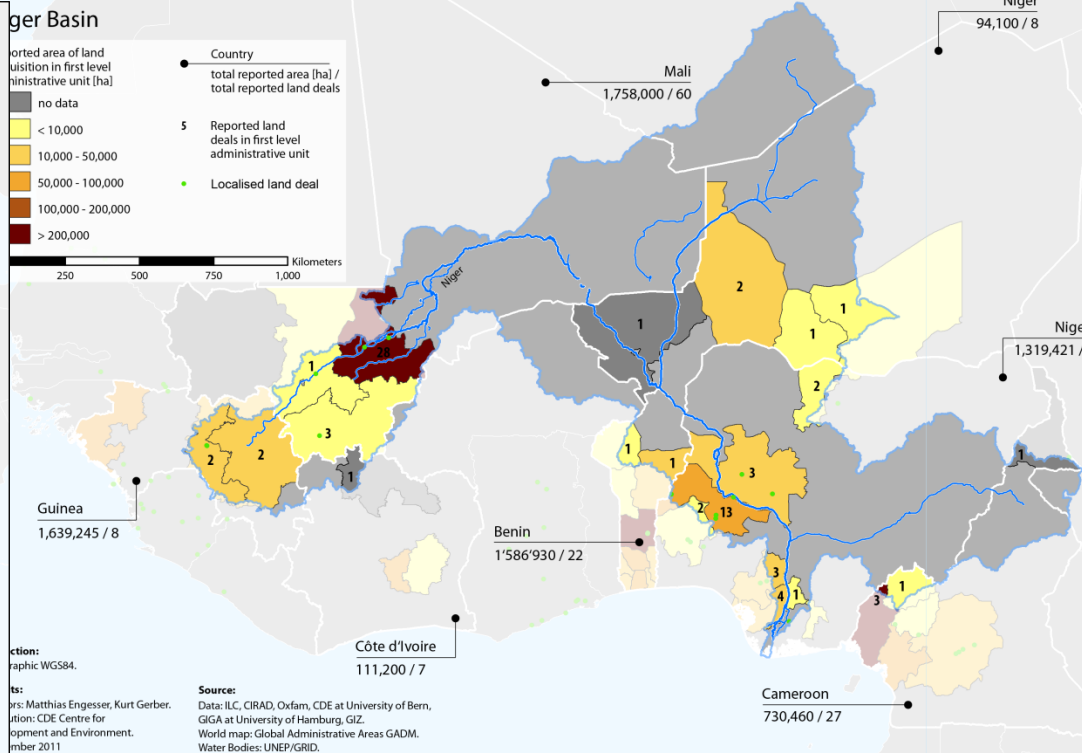


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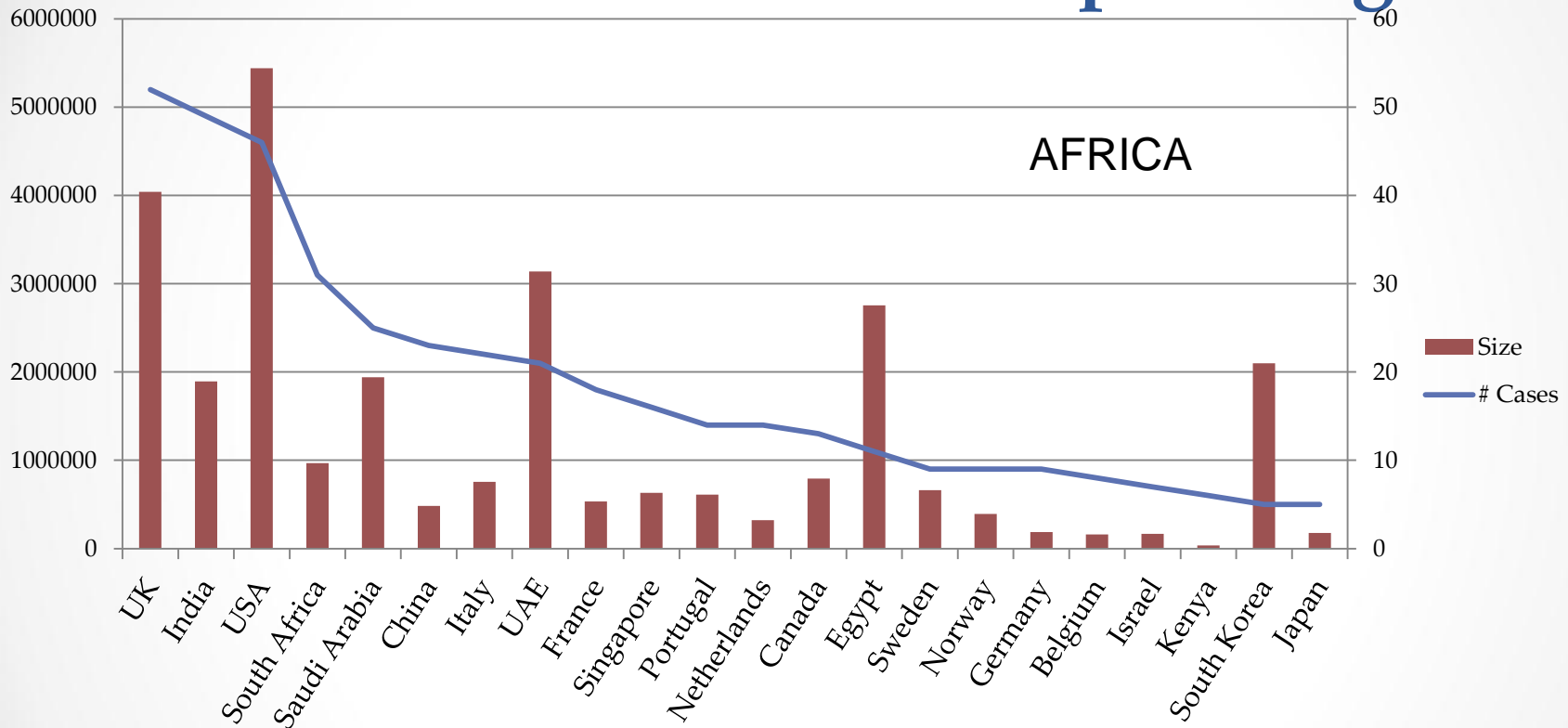
Commercial Pressure on Land Nile Basin



Commercial Pressure on Land Niger Basin



Western countries are still the main investors in Africa, Emerging and Middle Eastern countries are upcoming



North	West	Central	East	Southern
Saudi Arabia	UK	USA	Egypt	South Korea
UAE	India	Malaysia	UAE	South Africa
South Africa	Italy	Canada	USA	UK
Japan	Liberia	Singapore	Jordan	Brazil
-	France	Belgium	Saudi Arabia	India

Investors

- **Traditional Western** food-producing, processing, and exporting companies seeking to increase market share

- Private investors
- Market expansion**

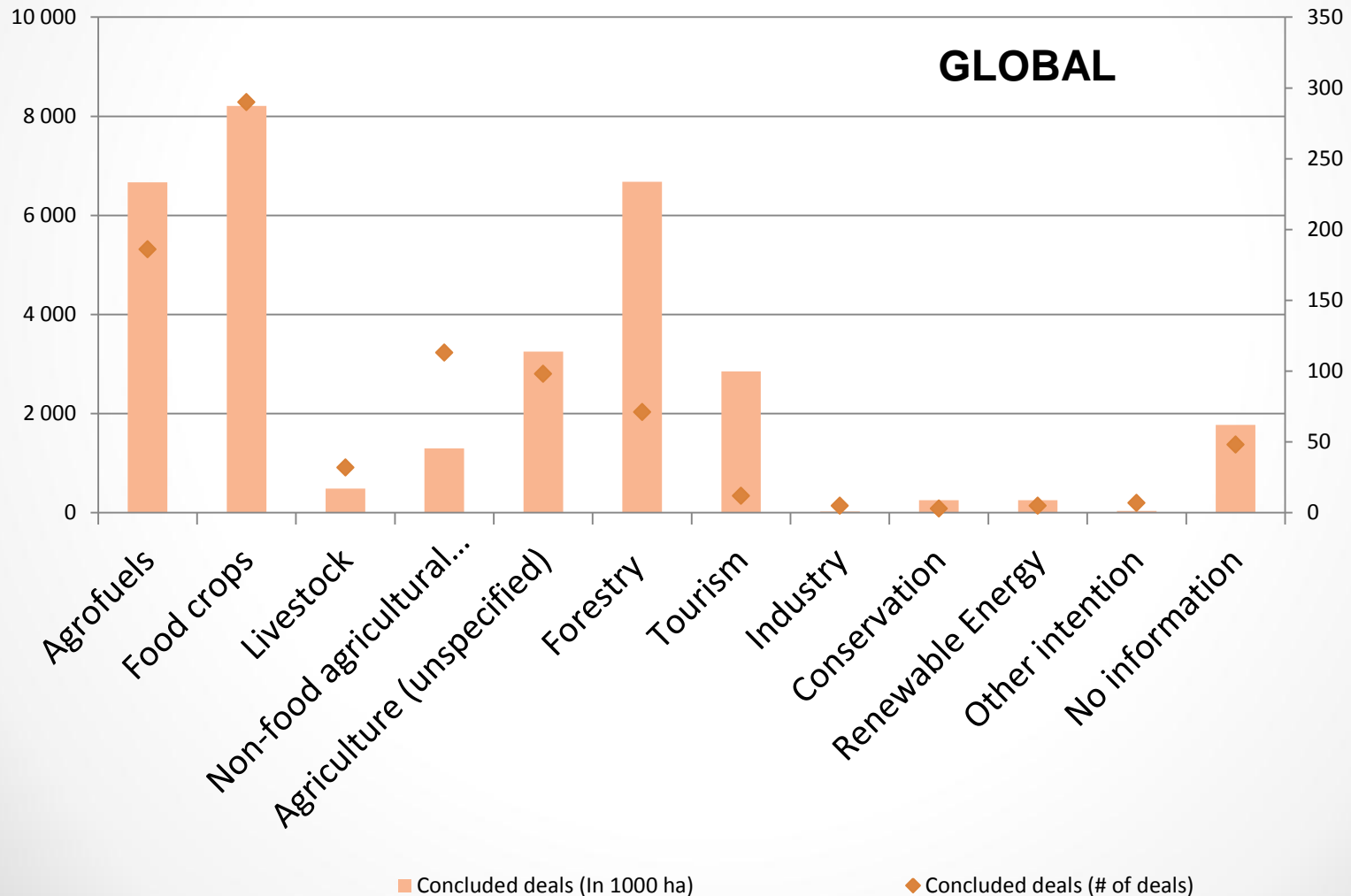
- **Capital-rich / food insecure** Land and water scarce populous but capital-rich (Asian countries, Gulf States - China: 20% of world pop / 9% of world arable land)

- Direct gov. involvement
 - Sovereign wealth Funds
 - State-owned enterprises
- Avoiding markets**

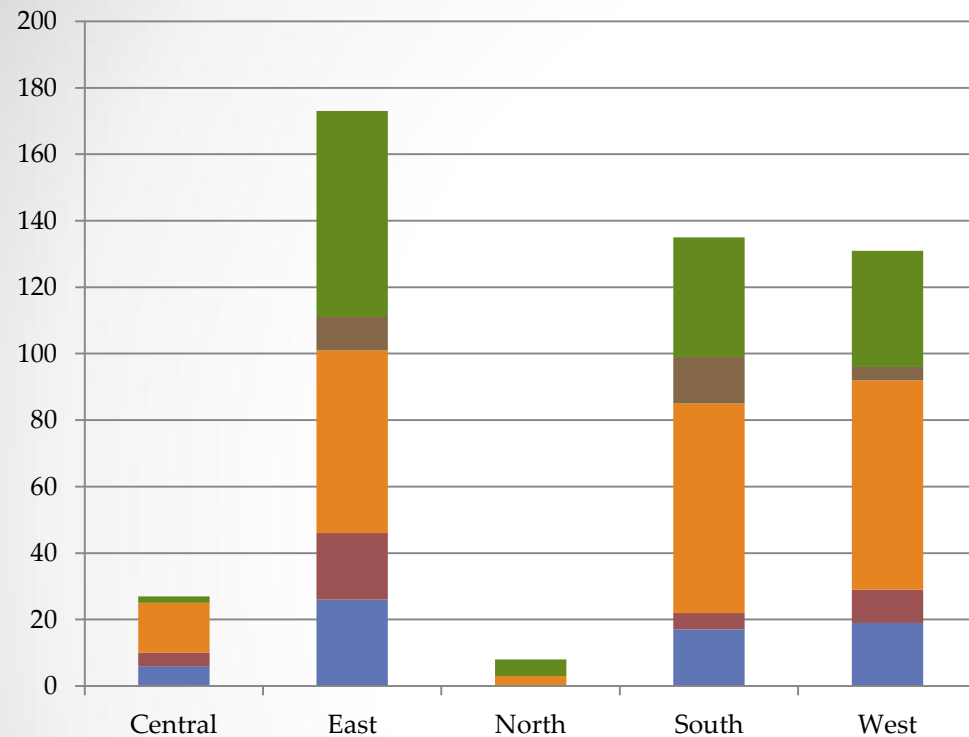
- **New actors** – Outside of agriculture (financial sector, ...)

- Hedge funds,
 - Pension funds
 - Invest banks
 - Asset management comp
- Diversifying portfolio/
speculation**

The rush for land is triggered by a wide range of drivers, food becoming a main driver

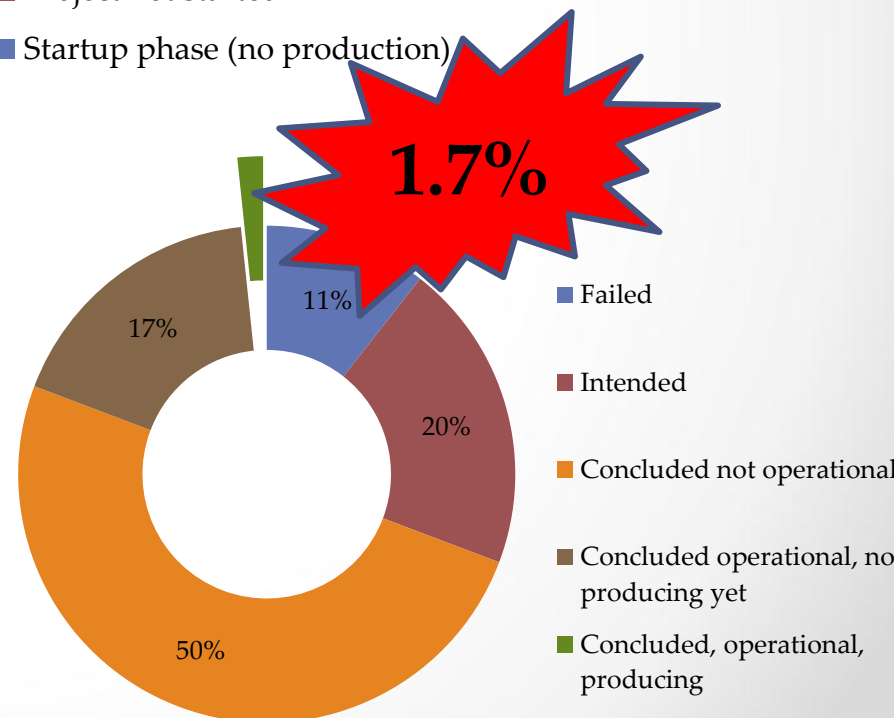


Little effective production



AFRICA

- Unknown
- Project abandoned
- In operation (production)
- Project not started
- Startup phase (no production)



LSLA globally

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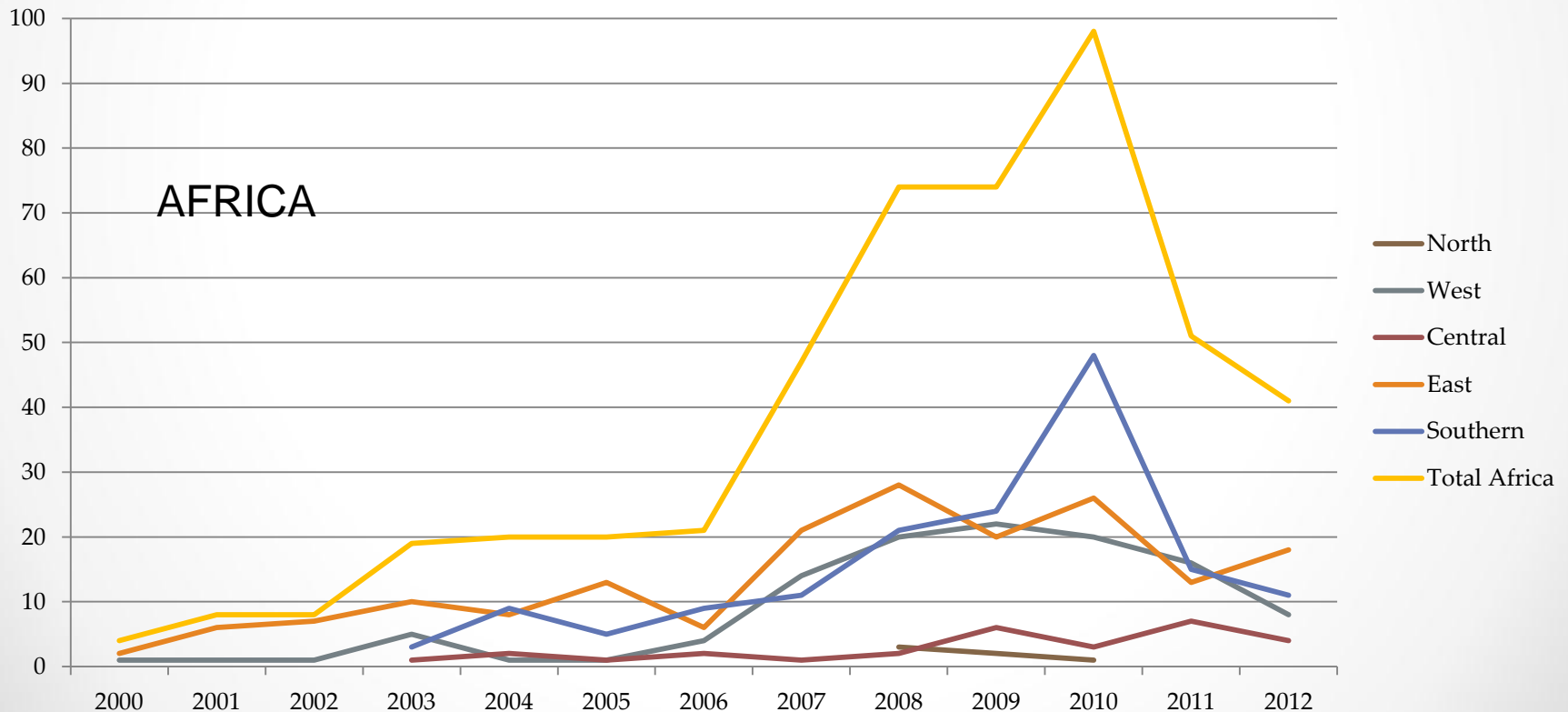
+115

+41

+24

Slowing down overall, but evidence of long-term trend of growing commercial interest in land

Reasons: Credit crunch, high failures, less media focus, civil awareness, countries are getting better prepared



Disaggregating “Large-scale land acquisitions”

Different LSLA with different outcomes

Independent farmer model	Associative farmer model	Cooperative farmer model	Speculative 1000-day model	Asset management and Investment funds model	Nucleus estate model	Agribusiness Estate model
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Different LSLA with different outcomes

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Association with local farmers, looking for CF opportunities



Based on bilateral agreements (more based on social inclusion)



1/3 of CF (tendency to full control) & Spot market



CSR

Different LSLA with different outcomes

Independent farmer model	Associative farmer model	Cooperative farmer model	Speculative 1000-day model	Asset management and Investment funds model	Nucleus estate model	Agribusiness Estate model
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High failures

- *Uncertain institutional environments and the difficulty of doing business*
- *Technicality of the projects*
- *The lack of markets*
- *Lack of financial services*
- *High settling and transaction costs*

Different LSLA with different outcomes

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High failures

Increased integration

Strategy change

- Slow down, more secure investments

Invisible control

Few inclusive models

Implications for agrarian development and restructuring

- Corporization of agriculture
- Closed value-chains and foreign powers
- Concentration and dualization within the agricultural sector
- Proletarianization of the agricultural / rural society

Reflection related to local farmers/indigenous people

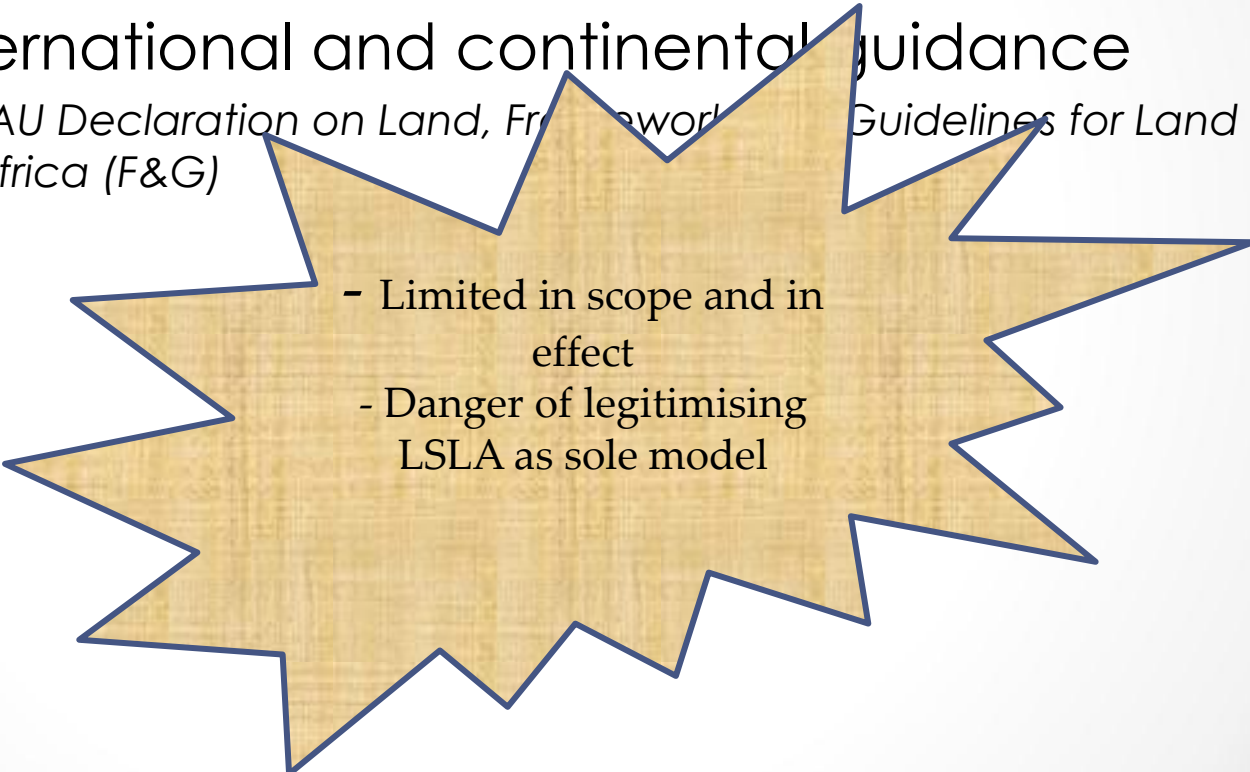
Towards more equitable LSLA? Initiatives and lessons learned...

1. Policies and governance

1. Investment policies
2. Land policies

2. Better international and continental guidance

1. VGs, RAI, AU Declaration on Land, Framework Guidelines for Land Policy in Africa (F&G)

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- Limited in scope and in effect
 - Danger of legitimising LSLA as sole model

Towards more equitable LSLA? Initiatives and lessons learned...

Governments

1. Transparency

1. Liberia decided to publish the land allocation contracts

2. Monitoring instruments

1. Ex: Cameroun Land Observatory

3. Challenging investment protection regimes, with some countries terminating BITs (Cotula, 2013).

Private sector

1. Development of more inclusive instruments

1. Inclusive Business Models (Contract farming, outgrower schemes)
2. Community Partnership Programmes

2. Need for more secure environments

1. Data
2. Governance instruments (secure land rights)

- 3. Credit

Normalisation process vs consolidation and agrarian change

Going beyond 'direct' loss of land, indigenous rights ...
.... Broader transformation of agrarian societies

- Land grab is only a 'tipping point'
- Profound transformation of the food regimes, of our agrarian societies
 - Self determination on your land vs agrarian system without room for manoeuvre
- Questioning of the development model
 - LSLA debate is having a blinding effect on other development trajectories

Concluding thoughts

- Agrarian change in Africa?
 - Yes, probably
 - Very little # - With very few 'positive' results
 - But enduring model/paradigm – tipping point
 - Long term marginalisation...
 - Externalisation of norms and regulatory mechanisms
 - ...
 - Change not there where expected/announced, by the promoters of LSLA
- Lack of LT reflection, “alternative” development trajectories
 - Inclusive of sectors and actors
 - Roles of different actors

Thank you

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